

**355.3-304 Overdue instrument.**

- (1) An instrument payable on demand becomes overdue at the earliest of the following times:
  - (a) On the day after the day demand for payment is duly made;
  - (b) If the instrument is a check, ninety (90) days after its date; or
  - (c) If the instrument is not a check, when the instrument has been outstanding for a period of time after its date which is unreasonably long under the circumstances of the particular case in light of the nature of the instrument and usage of the trade.
- (2) With respect to an instrument payable at a definite time the following rules apply:
  - (a) If the principal is payable in installments and a due date has not been accelerated, the instrument becomes overdue upon default under the instrument for nonpayment of an installment, and the instrument remains overdue until the default is cured.
  - (b) If the principal is not payable in installments and the due date has not been accelerated, the instrument becomes overdue on the day after the due date.
  - (c) If a due date with respect to principal has been accelerated, the instrument becomes overdue on the day after the accelerated due date.
- (3) Unless the due date of principal has been accelerated, an instrument does not become overdue if there is default in payment of interest but no default in payment of principal.

**Effective:** January 1, 1997

**History:** Repealed and reenacted 1996 Ky. Acts ch. 130, sec. 30, effective January 1, 1997. -- Created 1958 Ky. Acts ch. 77, sec. 3-304, effective July 1, 1960.